



Surgical Ambulatory Regional Centers | Pine Bluff, AR



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Millcreek Commercial | 2100 S Pleasant Grove Blvd. Ste 200, Pleasant Grove, UT

Property Information

Tenant	Surgical Ambulatory Regional Centers
Location	7200 S. Hazel St., Pine Bluff, AR
Property Type	Freestanding, Medical, Hospital
Building Size	24,050 Square Feet
Purchase Price	\$13,108,192
Cap Rate	6.25%

SARC's mission and business strategy is to provide better, more consistent, comprehensive care solutions by vertically integrating urgent care facilities with ancillary services and new technologies. The intended outcome is to provide a broader continuum of patient care at a lower cost and generate significantly higher operating margins.

Pine Bluff, AR

Pine Bluff, AR lies near the Arkansas River on the boundary of two of Arkansas's geographical regions and has a population of more than 45,000 people. To the west and southwest stretch the rolling woodlands of the West Gulf Coastal Plain and to the east and southeast the terrain settles into the flat and largely agricultural expanse of the Delta.

About Tenants-In-Common

Tenants-in-Common or TIC ownership allows multiple buyers to purchase an undivided percentage of a single piece of property. Each buyer receives his own deed to the property and benefits from all of the income, tax shelters and appreciation it provides. This Millcreek Commercial property has the following characteristics:

- Property is offered debt-free
- Long-term, corporate-guaranteed lease
- Satisfies IRS requirements for 1031 exchanges



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Lease Information

Lease Guarantor	Healthcare Solutions Management Group
Initial Lease Term	20 years
Rent Increases	2% increases every year
Renewal Options	Two 5-year options
20 Yr. Avg. Return	7.59%

Year	Gross Rent	Net Rent	Cap Rate
Apr 2020	\$833,854 *	\$819,262	6.25%
Apr 2021	\$850,532	\$835,647	6.38%
Apr 2022	\$867,542	\$852,360	6.50%
Apr 2023	\$884,893	\$869,407	6.63%
Apr 2024	\$902,591	\$886,796	6.77%
Apr 2025	\$920,643	\$904,531	6.90%
Apr 2026	\$939,056	\$922,622	7.04%
Apr 2027	\$957,837	\$941,075	7.18%
Apr 2028	\$976,993	\$959,896	7.32%
Apr 2029	\$996,533	\$979,094	7.47%
Apr 2030	\$1,016,464	\$998,676	7.62%
Apr 2031	\$1,036,793	\$1,018,649	7.77%
Apr 2032	\$1,057,529	\$1,039,022	7.93%
Apr 2033	\$1,078,680	\$1,059,803	8.09%
Apr 2034	\$1,100,253	\$1,080,999	8.25%
Apr 2035	\$1,122,258	\$1,102,619	8.41%
Apr 2036	\$1,144,704	\$1,124,671	8.58%
Apr 2037	\$1,167,598	\$1,147,165	8.75%
Apr 2038	\$1,190,950	\$1,170,108	8.93%
Apr 2039	\$1,214,769	\$1,193,510	9.11%

* Rent proportional through remodeling period



Surgical Ambulatory Regional Centers (SARC)

Largest Network: Development of 350 Comprehensive Care Centers will create the most extensive branded system in the country.

Significant Margins: By vertically integrating, they will capture revenue and margins that have historically been “lost” in the channel to sales, marketing, and third-party providers. This will result in significantly enhanced operating margins.

Building a Brand: A key element to their strategy is to acquire reputable family practice to establish themselves in each community they target. Clusters of facilities will provide better access and more consistent care to patients in their system.

New Technologies: They intend to use new technologies and more comprehensive diagnostic capabilities to improve patient care and access and to give their medical teams more tools to provide superior care.

Backed By Strength

Healthcare Solutions Holdings, Inc. “HSI” is a publicly-traded medical service and device company focused on providing clinicians with state-of-the-art diagnostic and therapeutic tools. HSI’s mission is to provide clinicians with broader access to the most advanced technologies in the Healthcare Industry. Technology proliferation drives progressive methods of testing patients, leading to superior patient outcomes.

HSI not only helps physicians deliver better healthcare but also assists them in remaining compliant with industry best practices.

The Tenant of Your Dreams

Millcreek Commercial is developing properties specifically for Surgical Ambulatory Regional Centers. SARC, in cooperation with Healthcare Solutions Holdings, Inc. (HSI), meets our pillars for success. With each property, SARC will sign a 20-year NNN lease with 2% rent escalations annually, all backed by an HSI corporate guarantee and insured by Lloyds of London.

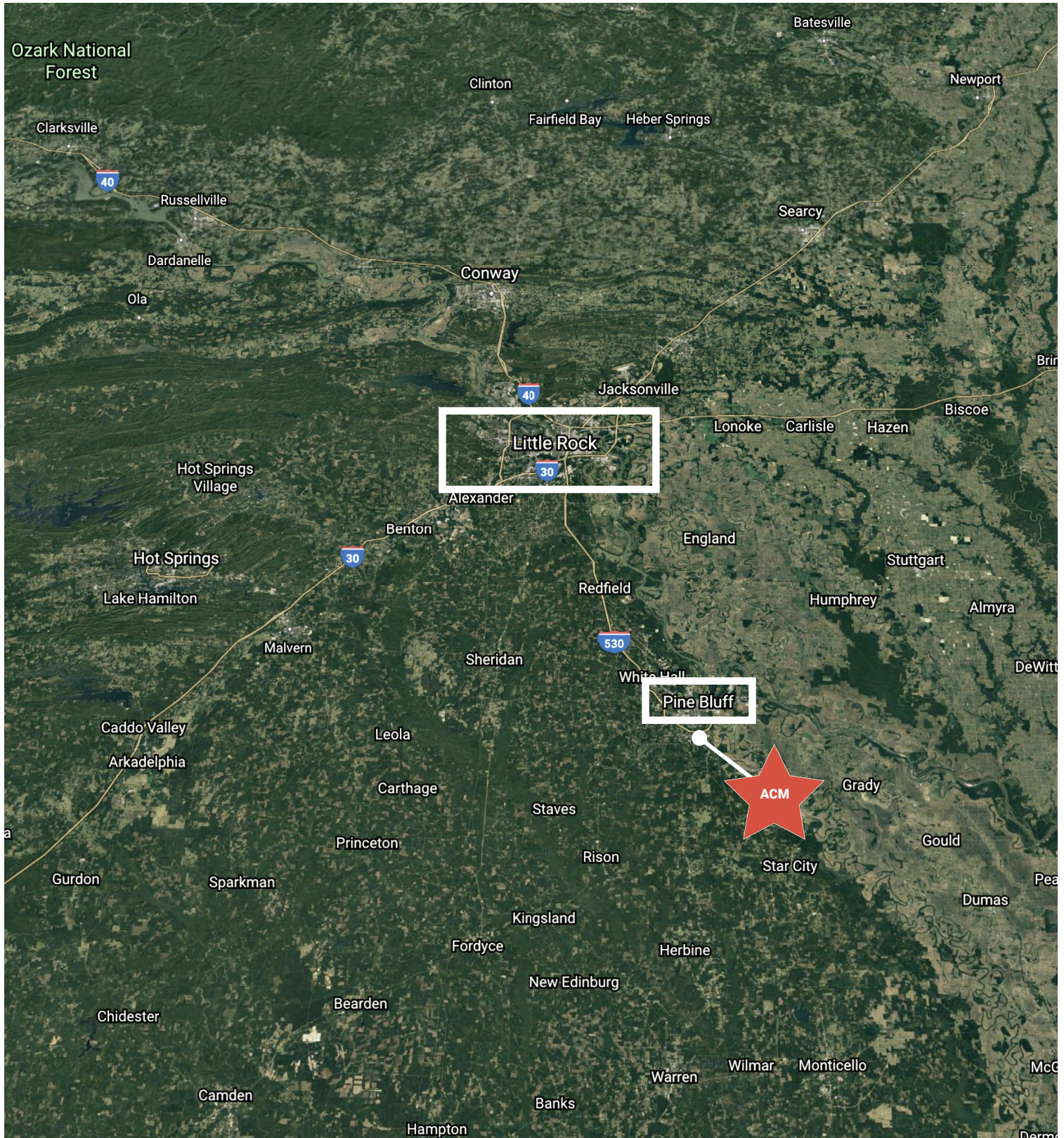


Pine Bluff, AR

Pine Bluff is the tenth-largest city in the state of Arkansas and the county seat of Jefferson County. It is the principal city of the Pine Bluff Metropolitan Statistical Area and part of the Little Rock-North Little Rock-Pine Bluff Combined Statistical Area. Pine Bluff lies near the Arkansas River on the boundary of two of Arkansas's geographical regions and has a population of more than 45,000 people. To the west and southwest stretch the rolling woodlands of the West Gulf Coastal Plain, and to the east and southeast, the terrain settles into the flat and mostly agricultural expanse of the Delta.

- The current population estimate is **45,404**
- Median Age: **35 years**
- Median Household Income is **\$32,498**
- Total Households: **17,100**
- Owner Occupied: **53.4%**
- Renter Occupied: **46.6%**
- Median Home Price: **\$75,200**
- Median Rental Rate: **\$**

Located in the Pine Bluff downtown area are several museums and other attractions: the Arkansas Entertainers Hall of Fame, the Pine Bluff-Jefferson County Historical Museum, and the Arts and Science Center for Southeast Arkansas are all within easy walking distance of each other.





Lease Abstract

Tenant	Surgical Ambulatory Regional Centers
Guarantor	Healthcare Solutions Management Group
Address	7200 S. Hazel St., Pine Bluff, AR
Building Size (SF)	24,050 SF
Year Built	2019 - 2020
Rent Commencement	April 2020
Lease/Rent Expiration	April 2040
Lease Term Remaining	20 Years
Annual Base Rent	\$819,262
Rental Increases	2% annual
Renewal Options	Three five-year options
Renewal Notice	6 months
Option Increases	Yes
Lease Type	Absolute NNN bonded
Landlord Responsibilities	Zero
Insurance/Taxes/CAM/Utilities	Tenant
ROFO	No
Estoppel	On file
Default Bond	1 year of rent payments if in the first 48 months
Ownership Interest	Fee simple estate



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